

Ensemble Offspring  
(Company Limited by Guarantee)  
ABN 70 830 604 180  
ACN 163 501 620

# Financial Report

For the year ended  
31 December 2014

**Liability limited by a scheme approved under  
Professional Standards Legislation**

## DIRECTORS REPORT

The directors present this report for Ensemble Offspring ("the company") for the financial year ended 31 December 2014.

### 1. Directors

The names of each person who has been a director during the year and to the date of this report are:

- Kate Lidbetter (Chair until 08/12/2014) (resigned 08/12/2014)
- Yarmila Alfonzetti (Deputy Chair)
- Andrew Fellowes (Treasurer)
- Robert Glass (Company Secretary)
- Sharon Kelly (Ordinary Member)
- Elizabeth Hristoforidis (Ordinary Member / Chair from 08/12/2014) (Appointed 28/7/2014)
- Louise Haggerty (Ordinary Member) (Appointed 13/10/2014)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### 2. Operating Results

The profit from ordinary activities after providing for abnormal items amounted to \$60,391.

### 3. Review of Operations

#### **Significant Changes in the State of Affairs**

There have been no significant changes in the state of affairs of the Company during the financial year.

#### **Principal Activities**

The principal activities of the company during the financial year were the presentation of innovative new music.

No significant change in the nature of the company's activity occurred during the financial year.

### 4. Events After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### 5. Indemnification and insurance of Officers and Auditors

#### **Indemnification**

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been a director, an officer or auditor of the Company.

#### **Insurance Premiums**

During the financial year the Company has paid premiums totalling \$1,306 in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 December 2014 and since the financial year, the Company has paid or agreed to pay on behalf of the Company, premiums in respect of such insurance contracts for the year ending 31 December 2014. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.

## 8. Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the Financial Year ended 31 December 2014 has been received and is set out on page 11.

This report is made in accordance with a resolution of the directors:

Signed



Signed by: Elizabeth Hristoforidis  
*(Chair and member of the  
Finance/Audit/Risk Committee)*

Dated this day of: *28<sup>th</sup> April 2015*

Signed



Signed by: Andrew Fellowes  
*(Treasurer and member of the  
Finance/Audit/Risk Committee)*


Dated this day of: *28<sup>th</sup> APRIL 2015*

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTOR OF  
ENSEMBLE OFFSPRING LTD**

I declare, that to the best of my knowledge and belief, during the year ended 31 December 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Name of Firm:** See Accounting Group  
Certified Practising Accountants

**Name of Director:**   
Jennie Hawkshaw

**Address:** Suite 15A, 12 Karalta Road, Erina NSW 2250

**Dated this 12th day of March 2015**

## ENSEMBLE OFFSPRING LTD

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
Note	\$	\$
<b>Profit for the year</b>	60,391	28,681
<b>Total comprehensive income for the year</b>	353,223	246,154
Total comprehensive income attributable to members of the entity	-	-

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
<b>Cash flows from operating activities</b>		
Cash receipts from customers and grants	359,000	364,250
Cash paid to suppliers and employees	291,842	225,357
Interest received	1,866	692
Interest paid	-	-
<b>Net cash from operating activities</b>	69,024	188,146
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	-	-
Payments for intangibles	-	-
<b>Net cash from investing activities</b>	-	-
<b>Cash flows from financing activities</b>		
Repayment of borrowings	-	-
<b>Net cash from financing activities</b>	-	-
Net (decrease) in cash and cash equivalents	104,032	139,585
Cash and cash equivalents at 1 January	233,944	94,359
<b>Cash and cash equivalents at 31 December</b>	337,976	233,944

The accompanying notes form part of these financial statements.

**ENSEMBLE OFFSPRING LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	303,683	233,944
Trade and other receivables	3	25,331	23,459
Other current assets	4	4,000	3,376
<b>TOTAL CURRENT ASSETS</b>		<u>333,014</u>	<u>260,779</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	4,962	7,220
<b>TOTAL NON-CURRENT ASSETS</b>		<u>4,962</u>	<u>7,220</u>
<b>TOTAL ASSETS</b>		<u>337,976</u>	<u>267,999</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	6	207,325	197,738
<b>TOTAL CURRENT LIABILITIES</b>		<u>207,325</u>	<u>197,738</u>
<b>TOTAL LIABILITIES</b>		<u>207,325</u>	<u>197,738</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>130,651</u>	<u>70,260</u>
<b>EQUITY</b>			
Retained earnings	7	130,651	70,260
<b>TOTAL EQUITY</b>		<u>130,651</u>	<u>70,260</u>

The accompanying notes form part of these financial statements.

## ENSEMBLE OFFSPRING LTD

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Retained earnings \$	Total \$
Balance as at 1 January 2014		70,260	-
(Deficit) / surplus for the year		60,391	
Balance at 31 December 2014		130,651	130,651

The accompanying notes form part of these financial statements.



## ENSEMBLE OFFSPRING LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### **1 Statement of Significant Accounting Policies**

The financial statements cover Ensemble Offspring Ltd as an individual entity. Ensemble Offspring Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

#### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on by the director of the company.

#### **Accounting Policies**

#### **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

## ENSEMBLE OFFSPRING LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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#### **Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

#### **Depreciation**

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the company. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

## ENSEMBLE OFFSPRING LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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#### Financial Instruments

##### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

##### Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

##### Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

## **ENSEMBLE OFFSPRING LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

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#### **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

#### **Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

#### **Trade and Other Payables**

Trade and other payables represent the liabilities at the end of the reporting period for goods and services received by the company that remain unpaid.

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms.

#### **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

#### **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**ENSEMBLE OFFSPRING LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>2 Cash and Cash Equivalents</b>		
Cash at Bank	<u>303,683</u>	<u>233,944</u>
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	19,674	16,299
GST on Acquisitions	<u>5,657</u>	<u>7,160</u>
	<u>25,331</u>	<u>23,459</u>
<p>The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.</p>		
<b>4 Other Current Assets</b>		
<b>Current</b>		
Prepayments	<u>4,000</u>	<u>3,376</u>
<b>5 Property, Plant and Equipment</b>		
<b>PLANT AND EQUIPMENT</b>		
<b>Plant and Equipment:</b>		
At cost	11,070	10,634
Accumulated depreciation	<u>(6,107)</u>	<u>(3,414)</u>
<b>Total Plant and Equipment</b>	<u>4,962</u>	<u>7,220</u>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land	Buildings	Plant and Equipment	Leased Plant and Equipment	Total
	\$	\$	\$	\$	\$

## ENSEMBLE OFFSPRING LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
<b>6 Trade and Other Payables</b>		
<b>Current</b>		
Trade Creditors	1,061	2,446
Accrued Expenses	1,958	6,564
Other Creditors	22,155	16,930
Superannuation Payable	7,181	3,132
Income Accruals	152,625	159,003
GST on Supplies	13,786	8,050
Provision for Holiday Pay	8,558	1,613
	<u>207,324</u>	<u>197,738</u>

### 7 Retained Earnings

Retained earnings at the beginning of the financial year	70,260	41,580
Retained earnings at the end of the financial year	<u>130,651</u>	<u>70,260</u>

### 8 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

#### Financial Risk Management Policies

The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 31 December 2014.

### 9 Company Details

Ensemble Offspring Ltd

## DIRECTOR'S DECLARATION

The director of the company declares that:

1. The financial statements and notes, as set out on pages 8 to 20, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - (b) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of the company.
2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Signed



Signed by: Elizabeth Hristoforidis  
(Chair and member of the  
Finance/Audit/Risk Committee)

Dated this day of: 28<sup>th</sup> April 2015

Signed



Signed by: Andrew Fellowes  
(Treasurer and member of the  
Finance/Audit/Risk Committee)

Dated this day of: 28<sup>th</sup> APRIL 2015

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENSEMBLE OFFSPRING LTD**

## **Report on the Financial Report**

I have audited the accompanying financial report of Ensemble Offspring Ltd which comprises the statement of financial position as at 31 December 2014 and the statement of comprehensive income, statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory information and the director's declaration.

## **Director's Responsibility for the Financial Report**

The director of the company is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the director determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the director also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

## **Auditor's Responsibility**

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Independence**

In conducting my audit, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the director of the company, would be in the same terms if provided to the director as at the date of this auditor's report.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ENSEMBLE OFFSPRING LTD**

**Auditor's Opinion**

In my opinion:

- (a) the financial report of Ensemble Offspring Ltd is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Name of Firm:** See Accounting Group  
Certified Practising Accountants

**Name of Director:**   
Jennie Hawkshaw

**Address:** Suite 15A, 12 Karalta Road, Erina NSW 2250

**Dated this 8th day of April 2014**

**ENSEMBLE OFFSPRING LTD**

**PROFIT AND LOSS STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Grant Income		
Australia Council	166,400	86,662
Other Federal Funding	-	15,000
ArtsNSW	60,000	46,750
Local Government	15,000	-
Earned Income		
Performance Income and Fees	66,268	52,970
Merchandising and Retail	828	391
Sponsorship and Philanthropic	37,559	40,995
Other earned income	7,069	3,386
Currency Gain Loss	99	-
<b>Total Income</b>	<b>353,223</b>	<b>246,154</b>
<b>Expenses</b>		
Salaries, Wages and Fees	246,942	156,422
Program, Production and Touring	16,302	23,216
Publications and Recordings	4,134	-
Marketing, Promotion and Development	15,092	7,907
Infrastructure Costs	10,362	29,928
<b>Total Expenses</b>	<b>292,832</b>	<b>217,474</b>
<b>Profit before income tax</b>	<b>60,391</b>	<b>28,681</b>

The accompanying notes form part of these financial statements.